

DBEDT
THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
STATE OF HAWAII



QUARTERLY STATISTICAL & ECONOMIC REPORT, Executive Summary June 2001

TABLE of CONTENTS, Exec Summary

Part I. Economic Trends and Outlook

State of the Economy	3
Outlook of the Economy	4
Actual & Forecast Key Economic Indicators for Hawaii: 1999-2004	5
County Economic Conditions	6
2001 Selected Economic Activities:	
Table 1. State	7
Table 2. City & County of Honolulu	8
Table 3. Hawaii County	9
Table 4. Maui County	10
Table 5. Kauai County	11

Part II. Economic Overview and Data

A. Labor Force and Jobs	12
B. Income and Prices	13
B-1. Personal Income by Major Sources	14
B-9. Honolulu and U.S. CPI-U	15
C. Tax Revenues	16
C-1. Genl Fund Tax Rev & Major Comp	17
D. Tourism	18
D-1. Visitor Arrivals & Aver Daily Visitor Census- By Air	19
D-11. Hotel Occupancy Rate	20
E. Construction	21
E-1. Estim Value of Completed Construction, New Priv Bldg Auth & Gov't Contracts Awarded	22
F. Other Indicators	24

This *Quarterly Statistical and Economic Report* has been prepared by the staff of the Research and Economic Analysis Division of the State Department of Business, Economic Development & Tourism (DBEDT). The report provides concise statistical information and analyses on Employment, Income and Prices, Taxes, Tourism, and Construction, as well as an overview of the State of Hawaii and the four counties.

Director, Dr. Seiji F. Naya, heads the department. This report was prepared under the direction of the division administrator, Dr. Pearl Imada Iboshi.

Technical notes and source descriptions have been kept to a minimum. However, the staff of the Research and Economic Analysis Division would be happy to respond to any inquiries of a technical nature that readers may have (586-2466). The quarterly information contained in this report reflects data received by the Research Division on or before June 29, 2001.

On-line availability of *Quarterly Statistical and Economic Report*

Since 1988, the Hawaii Department of Business, Economic Development & Tourism has had the *State of Hawaii Data Book* available on-line to anyone with a personal computer and a modem. Since 1997, the *Quarterly Statistical and Economic Report*, *State of Hawaii Data Book* and other DBEDT publications and information have been made available over the Internet at <http://www.hawaii.gov/dbedt/index.html>.

Beginning in March 2000, the printing of the entire *QSER* has been discontinued. The full version will be available on-line at <http://www.hawaii.gov/dbedt/qser.html> and a *QSER Executive Summary* at <http://www.hawaii.gov/dbedt/latest.html> and is available on request by fax or e-mail.

For further information about available data and sources, users should call the Research and Economic Analysis Division's Business Resource Center at (808) 586-2424.

This report has been catalogued as follows:

Hawaii. Dept. of Business, Economic Development and Tourism. Research and Economic Analysis Division.

Quarterly statistical and economic report-State of Hawaii. Honolulu: 1975-

Quarterly.

Hawaii-Statistics.

HA4007.H359

STATE OF THE ECONOMY

Hawaii's economy performed relatively well in the first quarter of 2001. Growth was somewhat lower than in 2000, but the relative strength in Hawaii's economy was notable in the face of weak conditions on the Mainland and in Japan.

Labor markets largely continued the healthy pace recorded in 2000. The civilian labor force grew by a notable 1.2 percent from the first quarters of 2000 to 2001 (Table 1). Civilian employment was up 1.6 percent, and the unemployment rate averaged 4.1 percent in the quarter—down almost one-half of one percent from the same period last year.

Non-agricultural wage and salary jobs grew by 2.9 percent in the first quarter of 2001 compared to the year-earlier period. Following growth of 3.1 percent in 2000, job growth has stayed remarkably strong this year.

Adjusting for size of industry, most of the job growth came in services (4.7 percent), followed by retail trade (3.4 percent). The business services component grew a sharp 7.4 percent in the first quarter, which is notable given that business services account for much of the high technology businesses in Hawaii. While construction job growth slowed from the pace in 2000, first quarter growth still came in at 5.6 percent.

By contrast with the private sector, government job growth was low or negative. State government jobs grew by 0.6 percent while local government jobs inched up by only 0.3 percent. Jobs in the federal government actually declined by 0.2 percent in the first quarter of 2001 compared to the year-earlier quarter, but this may reflect the adjustment from Census hiring in 2000.

Personal income grew by a healthy 4.7 percent in the fourth quarter of 2000—the latest data available (Table B-1). For the year, personal income growth was up 4.8 percent—the fastest growth since 1992. Growth was also spread across all the major components of personal income.

Hawaii's tax collections also reflected an active economy. General fund revenue expanded by 7.8 percent in the first quarter, following 8.0 percent growth in 2000. General excise tax receipts grew by 3.5 percent while net individual income tax receipts were up 7.6 percent. Much of the individual income tax revenue came from withholding on wages and lower refunds compared to 2000.

The visitor industry was flat in the first quarter. The number of visitor arrivals was essentially unchanged from the first quarter of 2000. The number of visitors on domestic flights increased slightly, but the number on international flights declined.

While 2001 construction activity has not matched the pace of 2000, the growth remains healthy. The contracting tax base grew by 4.9 percent in the first quarter of 2001 compared to the same period in 2000. Building permits also expanded by 2.1 percent. The private sector has generated most of the recent construction activity as government contracts awarded and expenditures have declined.

Mirroring a Mainland trend, bankruptcy filings increased in the first quarter for the first time in two years. Hawaii bankruptcy filings rose by 8.7 percent compared to the first quarter of 2000. For the U.S. as a whole, bankruptcy filings were up 17.5 percent in the first quarter.

OUTLOOK OF THE ECONOMY

Economic growth on the Mainland continues to look weak, and Japan's economy may have slid back into recession. While Hawaii's economy has performed relatively well recently, DBEDT expects Hawaii's growth to slow.

The June 10, 2001, issue of the *Blue Chip Economic Indicators*, a consensus forecast of approximately 50 economic analysts, projects U.S. economic growth of 1.8 percent in 2001. Next year, economic growth should expand to 3.1 percent according to these projections. The 2001 projection is down from 2.6 percent forecast by *Blue Chip* in January 2001, while the 2002 forecast is down from 3.4 percent forecast in January.

In 2001, *Blue Chip* expects Mainland consumer price inflation of 3.2 percent and an unemployment rate of 4.6 percent. Inflation will look better in 2002 at 2.5 percent, but *Blue Chip* expects the unemployment rate to rise to 4.9 percent.

Preliminary estimates of Japan's economy indicate that real gross product declined in the first quarter. The *Blue Chip* consensus forecast is for growth of 0.7 percent in 2001 with some improvement to 1.6 percent in 2002.

The UCLA Anderson Forecast expects California real personal income growth to fall from a very strong 8.4 percent in 2000 to 1.2 percent in 2001. In 2002, the UCLA forecast expects growth of 2.0 percent.

The Japanese yen sits at about 124 per dollar. The June 2001 *Consensus Forecasts-USA* projects the same rate in September 2001 with only a slight appreciation to 121.5 in June 2002. A stronger yen usually increases Japanese economic activity in Hawaii as the cost of Hawaii goods and services falls in terms of the yen.

DBEDT considered these factors in constructing the forecast of key economic variables shown in the accompanying table. DBEDT expects real personal income growth of 2.5 percent this year, slowing to the 2.2 percent range in the next few years. Job growth, which has recently run in excess of 3.0 percent, will slow to 2.4 percent this year and move closer to 2.0 percent thereafter. The number of visitor arrivals will grow by about 1.4 percent in 2001 and visitor expenditures will expand by 3.5 percent.

ACTUAL AND FORECAST KEY ECONOMIC INDICATORS FOR HAWAII: 1999 TO 2004

<i>Economic Indicators</i>	<i>1999 (actual)</i>	<i>2000 (actual)</i>	<i>2001 (forecast)</i>	<i>2002 (forecast)</i>	<i>2003 (forecast)</i>	<i>2004 (forecast)</i>
Total population (in thousands)	(NA)	1,216.4 1/	1,226.1	1,235.9	1,244.6	1,253.3
Visitor arrivals (in thousands)	6,741.0	6,975.9	7,073.6	7,257.5	7,438.9	7,624.9
Visitor expenditures (in million dollars)	10,279.7	10,923.7 2/	11,306.0	11,871.3	12,464.9	13,088.1
Honolulu CPI-U (1982-84=100)	173.3	176.3	179.8	183.6	187.6	192.0
Personal income (in million dollars)	32,640.5	34,190.8	35,729.3	37,301.4	38,942.7	40,656.2
Personal income (in \$1992 million)	29,226.9	30,085.9	30,838.0	31,547.3	32,241.3	32,918.4
Total wage & salary jobs (in thousands)	542.7	559.4	572.6	584.6	596.3	607.1
Gross state product (in million dollars)	37,395.1	39,394.3 2/	41,188.8	42,995.9	44,877.6	46,840.0
Real gross state product (in \$1992 million)	33,872.3	35,142.1 2/	36,077.6	36,946.4	37,796.7	38,629.0
Gross state product deflator (1992=100)	110.4	112.1	114.2	116.4	118.7	121.2
Annual Percentage Change						
Total population (in thousands)	(NA)	0.9 1/	0.8	0.8	0.7	0.7
Visitor arrivals (in thousands)	2.2	3.5	1.4	2.6	2.5	2.5
Visitor expenditures (in million dollars)	-0.3	6.3 2/	3.5	5.0	5.0	5.0
Honolulu CPI-U (1982-84=100)	1.0	1.7	2.0	2.1	2.2	2.3
Personal income (in million dollars)	2.6	4.8	4.5	4.4	4.4	4.4
Personal income (in \$1992 million)	1.6	2.9	2.5	2.3	2.2	2.1
Total wage & salary jobs (in thousands)	0.7	3.1	2.4	2.1	2.0	1.8
Gross state product (in million dollars)	2.6	5.3 2/	4.6	4.4	4.4	4.4
Real gross state product (in \$1992 million)	1.5	3.7 2/	2.7	2.4	2.3	2.2
Gross state product deflator (1992=100)	1.0	1.6	1.8	1.9	2.0	2.1

NA Not available.

1/ This July 1, 2000 estimate has been prepared by DBEDT. Revised U.S. Census Bureau intercensal estimates (1990-2000) are forthcoming. The Census Bureau count as of April 1, 2000 is 1,211,537.

2/ Revised.

Source: Hawaii State Department of Business, Economic Development & Tourism, June 2001.

COUNTY ECONOMIC CONDITIONS

Economic growth in the counties during the first quarter of 2001 remained strong but was slightly slower than in 2000. Hawaii County and Maui County seemed to enjoy the strongest activity.

The civilian labor force increased in all counties during the first quarter of 2001 compared to the year-earlier quarter. Hawaii County led the group with 1.4 percent growth (Table 3), followed by Honolulu County (1.3 percent, Table 2), Maui County (1.0 percent, Table 4), and Kauai County (0.2 percent, Table 5).

For three of the counties, civilian employment grew even faster than the labor force. Honolulu County employment was up 1.8 percent, followed by 1.6 percent in Maui County, and 1.5 percent in Hawaii County. Only Kauai County saw a reduction in civilian employment (-0.2 percent). This also explains why only Kauai County experienced an increase in the unemployment rate in the first quarter.

Despite this slightly mixed picture, non-agricultural wage and salary jobs expanded in all counties. Hawaii County and Maui County led the growth with increases of 3.5 percent. Honolulu County's job count grew by 2.8 percent, and Kauai County jobs expanded by 2.0 percent. Honolulu County was the only county to see faster job growth in the first quarter of 2001 than in 2000.

Only Hawaii County saw wage and salary job increases in all private industries. Hawaii County job growth was particularly high in construction (5.8 percent) and services (4.8 percent). Within services, health and business service jobs each grew by more than 10 percent in the first quarter.

Honolulu County's construction jobs grew the most rapidly of all the counties in the first quarter. Honolulu also saw rapid growth in services (5.2 percent), including 7.1 percent job growth in the high-tech-oriented business services sector.

Maui County job growth came largely from the 8.4 percent growth in retail jobs during the first quarter. There was also strong growth in hotel, health, and business services jobs.

Most of Kauai County's non-agricultural job growth also came from retail and wholesale trade (4.8 percent). Kauai also saw growth in construction jobs (5.0 percent) and positions in transportation, communications, and utilities (5.9 percent).

Agricultural wage and salary jobs fell in all counties. The greatest percentage declines came in Kauai County, reflecting the closing of the AMFAC/JMB plantations, and in Honolulu County.

Only the counties of Hawaii and Maui saw increases in visitor arrivals during the first quarter. Arrivals grew by 0.3 percent in Hawaii County and by 2.5 percent in Maui County. International visitor arrivals provided the growth in both cases as domestic arrivals declined. Visitor arrival numbers fell in Honolulu County (-0.3 percent) and in Kauai County (-1.3 percent).

Table 1. 2001 SELECTED ECONOMIC ACTIVITIES: STATE OF HAWAII

SERIES	UNIT	1st QUARTER 2001		2000	
		NUMBER	% CHANGE YEAR AGO	NUMBER	% CHANGE YEAR AGO
Civilian labor force 1/	Persons	599,850	1.2	595,450	0.4
Civilian employment	Persons	575,000	1.6	569,900	1.8
Civilian unemployment	Persons	24,850	-7.4	25,500	-23.2
Unemployment rate 2/	%	4.1	-0.4	4.3	-1.3
Total non-agric. wage & salary jobs 1/	Jobs	558,150	2.9	551,500	3.1
Contract construction	Jobs	23,550	5.6	23,500	8.5
Manufacturing	Jobs	17,200	2.1	17,200	3.9
Transport., comm., utilities	Jobs	43,000	3.2	42,400	2.9
Trade	Jobs	139,050	3.2	136,950	2.9
Retail	Jobs	117,150	3.4	115,400	3.0
Finance, insur., & real estate	Jobs	33,550	-0.7	33,400	-4.0
Services & miscellaneous	Jobs	187,100	4.7	183,400	4.9
Hotels	Jobs	38,950	3.2	38,450	3.6
Health	Jobs	37,350	3.3	36,700	2.5
Business	Jobs	31,200	7.4	30,350	10.4
Government	Jobs	114,750	0.3	114,600	1.6
Federal	Jobs	30,450	-0.2	30,950	2.1
State	Jobs	67,900	0.6	66,950	1.7
Local	Jobs	16,400	0.3	16,700	0.3
Agriculture wage & salary jobs 1/	Jobs	6,950	-12.6	7,850	1.9
State general fund revenues	\$1,000	825,231	7.8	3,067,622	8.0
General excise and use tax revenues	\$1,000	436,888	3.5	1,611,446	10.8
Income-individual	\$1,000	265,834	7.6	1,080,372	2.5
Declaration of estimated taxes	\$1,000	55,467	-5.7	218,062	10.7
Payment with returns	\$1,000	11,075	4.1	93,639	-1.8
Withholding tax on wages	\$1,000	269,733	5.3	1,011,772	3.5
Refunds	\$1,000	70,442	-10.4	243,100	12.7
Transient accommodations tax	\$1,000	47,423	2.6	175,360	14.3
Visitor arrivals by air 3/	Persons	1,723,659	0.0	6,975,866	3.5
Domestic flight visitors	Persons	1,079,762	0.7	4,451,658	4.6
International flight visitors	Persons	643,897	-1.1	2,524,208	1.6
Hotel occupancy rates 2/	%	80.5	2.3	75.9	3.8

1/ Labor force and jobs based on monthly rounded data were rebenchmarked in March 2001

2/ Change represents absolute change in rates rather than percentage change in rates

3/ Preliminary data.

Source: Hawaii State Department of Labor & Industrial Relations; Hawaii State Department of Taxation
Hawaii Visitors & Convention Bureau; and Smith Travel Research, PricewaterhouseCoopers LLP. Compiled by
Hawaii State Department of Business, Economic Development & Tourism

**Table 2. 2001 SELECTED ECONOMIC ACTIVITIES:
CITY AND COUNTY OF HONOLULU**

SERIES	UNIT	1st QUARTER 2001		2000	
		NUMBER	% CHANGE YEAR AGO	NUMBER	% CHANGE YEAR AGO
Civilian labor force 1/	Persons	427,300	1.3	423,500	0.1
Civilian employment	Persons	412,050	1.8	407,600	1.3
Civilian unemployment	Persons	15,250	-10.0	15,900	-23.9
Unemployment rate 2/	%	3.6	-0.5	3.8	-1.2
Total non-agric. wage & salary jobs 1/	Jobs	416,650	2.8	412,300	2.7
Contract construction	Jobs	17,400	7.4	17,200	6.8
Manufacturing	Jobs	13,350	1.9	13,350	3.9
Transport., comm., utilities	Jobs	33,900	3.8	33,300	3.4
Trade	Jobs	99,850	2.4	99,000	2.3
Retail	Jobs	82,250	2.5	81,650	2.5
Finance, insur., & real estate	Jobs	26,800	-0.6	26,800	-3.9
Services & miscellaneous	Jobs	133,600	5.2	130,950	4.6
Hotels	Jobs	16,600	2.5	16,500	1.9
Health	Jobs	30,150	2.6	29,750	2.2
Business	Jobs	26,300	7.1	25,400	8.5
Government	Jobs	91,800	0.2	91,650	1.3
Federal	Jobs	28,500	0.0	28,900	1.2
State	Jobs	52,050	0.3	51,350	1.8
Local	Jobs	11,250	0.0	11,450	0.0
Agriculture wage & salary jobs 1/	Jobs	2,000	-14.9	2,250	2.3
General excise and use tax revenues	\$1,000	357,630	2.6	1,325,291	10.5
Income-individual	\$1,000	228,045	6.6	938,787	2.2
Declaration of estimated taxes	\$1,000	37,923	-3.9	159,159	7.7
Payment with returns	\$1,000	8,805	7.4	71,511	-2.5
Withholding tax on wages	\$1,000	236,397	4.9	890,586	3.5
Refunds	\$1,000	55,081	-6.9	182,469	12.2
Transient accommodations tax	\$1,000	35,745	5.4	129,487	12.5
Visitor arrivals by air 3/	Persons	1,178,828	-0.3	4,776,960	4.8
Domestic flight visitors	Persons	599,484	1.6	2,488,128	6.0
International flight visitors	Persons	579,344	-2.2	2,288,832	3.4
Hotel occupancy rates 2/	%	80.9	3.2	75.6	3.8

1/ Labor force and jobs based on monthly rounded data were rebenchmarked in March 2001.

2/ Change represents absolute change in rates rather than percentage change in rates.

3/ Preliminary data. County-level data not yet revised.

Source: Hawaii State Department of Labor & Industrial Relations; Hawaii State Department of Taxation; Hawaii Visitors & Convention Bureau; and Smith Travel Research, PricewaterhouseCoopers LLP. Compiled by Hawaii State Department of Business, Economic Development & Tourism.

Table 3. 2001 SELECTED ECONOMIC ACTIVITIES: HAWAII COUNTY

SERIES	UNIT	1st QUARTER 2001		2000	
		NUMBER	% CHANGE YEAR AGO	NUMBER	% CHANGE YEAR AGO
Civilian labor force 1/	Persons	70,650	1.4	70,100	1.0
Civilian employment	Persons	66,150	1.5	65,450	3.3
Civilian unemployment	Persons	4,500	1.1	4,650	-23.1
Unemployment rate 2/	%	6.4	0.0	6.7	-2.0
Total non-agric. wage & salary jobs 1/	Jobs	54,550	3.5	53,350	4.8
Contract construction	Jobs	2,750	5.8	2,650	17.8
Manufacturing	Jobs	1,650	3.1	1,600	3.2
Transport., comm., utilities	Jobs	2,900	5.5	2,850	0.0
Trade	Jobs	14,000	2.9	13,800	2.6
Retail	Jobs	11,800	2.6	11,650	2.6
Finance, insur., & real estate	Jobs	2,700	1.9	2,550	-3.8
Services & miscellaneous	Jobs	19,500	4.8	18,950	8.0
Hotels	Jobs	6,950	2.2	6,800	5.4
Health	Jobs	3,250	10.2	3,100	6.9
Business	Jobs	2,050	10.8	2,050	20.6
Government	Jobs	11,000	1.4	10,950	3.3
Federal	Jobs	950	-5.0	1,000	17.6
State	Jobs	7,800	2.0	7,650	2.7
Local	Jobs	2,250	0.0	2,300	2.2
Agriculture wage & salary jobs 1/	Jobs	2,350	-11.3	2,650	8.2
General excise and use tax revenues	\$1,000	31,411	11.4	107,538	14.0
Income-individual	\$1,000	15,893	27.5	57,129	1.1
Declaration of estimated taxes	\$1,000	7,133	7.6	21,546	11.9
Payment with returns	\$1,000	1,023	-7.3	9,248	0.2
Withholding tax on wages	\$1,000	13,898	17.0	49,031	3.3
Refunds	\$1,000	6,161	-13.7	22,696	16.9
Transient accommodations tax	\$1,000	3,053	7.7	10,395	20.7
Visitor arrivals by air 3/	Persons	325,997	0.3	1,269,740	-2.9
Domestic flight visitors	Persons	232,099	-0.6	926,100	-1.7
International flight visitors	Persons	93,898	2.8	343,640	-5.9
Hotel occupancy rates 2/	%	78.8	4.2	70.8	5.2

1/ Labor force and jobs based on monthly rounded data were rebenchmarked in March 2001.

2/ Change represents absolute change in rates rather than percentage change in rates.

3/ Preliminary. County-level data not yet revised.

Source: Hawaii State Department of Labor & Industrial Relations; Hawaii State Department of Taxation; Hawaii Visitors & Convention Bureau; and Smith Travel Research, PricewaterhouseCoopers LLP. Compiled by Hawaii State Department of Business, Economic Development & Tourism.

Table 4. 2001 SELECTED ECONOMIC ACTIVITIES: MAUI COUNTY

SERIES	UNIT	1st QUARTER 2001		2000	
		NUMBER	% CHANGE YEAR AGO	NUMBER	% CHANGE YEAR AGO
Civilian labor force 1/	Persons	72,450	1.0	72,400	1.4
Civilian employment	Persons	69,450	1.6	69,350	3.0
Civilian unemployment	Persons	3,000	-11.8	3,050	-24.7
Unemployment rate 2/	%	4.1	-0.6	4.2	-1.5
Total non-agric. wage & salary jobs 1/	Jobs	61,350	3.5	60,450	4.0
Contract construction	Jobs	2,350	-6.0	2,650	10.4
Manufacturing	Jobs	1,750	2.9	1,750	0.0
Transport., comm., utilities	Jobs	4,400	-2.2	4,500	1.1
Trade	Jobs	17,600	8.0	16,700	5.4
Retail	Jobs	16,050	8.4	15,150	5.2
Finance, insur., & real estate	Jobs	3,000	0.0	3,000	-1.6
Services & miscellaneous	Jobs	24,500	3.8	24,000	4.1
Hotels	Jobs	11,650	4.5	11,450	5.0
Health	Jobs	2,450	4.3	2,400	4.3
Business	Jobs	2,350	9.3	2,300	17.9
Government	Jobs	7,800	0.6	7,850	2.6
Federal	Jobs	550	-8.3	600	9.1
State	Jobs	5,400	0.9	5,350	1.9
Local	Jobs	1,850	2.8	1,900	0.0
Agriculture wage & salary jobs 1/	Jobs	1,900	-2.6	1,950	-9.3
General excise and use tax revenues	\$1,000	35,851	3.3	134,751	9.6
Income-individual	\$1,000	15,523	-0.9	61,717	7.2
Declaration of estimated taxes	\$1,000	7,467	-22.8	27,515	25.8
Payment with returns	\$1,000	844	-5.5	8,671	-2.0
Withholding tax on wages	\$1,000	14,325	0.6	52,766	4.2
Refunds	\$1,000	7,112	-22.3	27,235	14.5
Transient accommodations tax	\$1,000	6,824	-13.8	29,017	18.9
Visitor arrivals by air 3/	Persons	571,570	2.5	2,287,129	-2.6
Domestic flight visitors	Persons	429,877	-3.0	1,836,437	-1.6
International flight visitors	Persons	141,693	24.1	450,692	-6.2
Hotel occupancy rates 2/ 4/	%	83.6	-2.1	80.9	4.4

1/ Labor force and jobs based on monthly rounded data were rebenchmarked in March 2001

2/ Change represents absolute change in rates rather than percentage change in rates

3/ Preliminary. County-level data not yet revised

4/ Data represent Maui Island only.

Source: Hawaii State Department of Labor & Industrial Relations; Hawaii State Department of Taxation
Hawaii Visitors & Convention Bureau; and Smith Travel Research, PricewaterhouseCoopers LLP. Compiled by
Hawaii State Department of Business, Economic Development & Tourism.

Table 5. 2001 SELECTED ECONOMIC ACTIVITIES: KAUAI COUNTY

SERIES	UNIT	1st QUARTER 2001		2000	
		NUMBER	% CHANGE YEAR AGO	NUMBER	% CHANGE YEAR AGO
Civilian labor force 1/	Persons	29,450	0.2	29,400	1.7
Civilian employment	Persons	27,350	-0.2	27,500	3.2
Civilian unemployment	Persons	2,100	5.0	1,900	-13.6
Unemployment rate 2/	%	7.1	0.3	6.5	-1.2
Total non-agric. wage & salary jobs 1/	Jobs	25,600	2.0	25,450	3.9
Contract construction	Jobs	1,050	5.0	1,000	11.1
Manufacturing	Jobs	500	11.1	500	11.1
Transport., comm., utilities	Jobs	1,800	5.9	1,750	2.9
Trade	Jobs	7,600	4.8	7,450	4.9
Retail	Jobs	7,050	4.4	6,950	6.1
Finance, insur., & real estate	Jobs	1,100	-8.3	1,100	-12.0
Services & miscellaneous	Jobs	9,500	1.1	9,500	3.8
Hotels	Jobs	3,700	1.4	3,700	2.8
Health	Jobs	1,500	3.4	1,450	-3.3
Business	Jobs	500	-9.1	550	10.0
Government	Jobs	4,150	1.2	4,100	1.2
Federal	Jobs	400	-11.1	450	12.5
State	Jobs	2,650	0.0	2,600	0.0
Local	Jobs	1,050	0.0	1,050	0.0
Agriculture wage & salary jobs 1/	Jobs	750	-25.0	950	5.6
General excise and use tax revenues	\$1,000	11,997	12.9	43,864	14.6
Income-individual	\$1,000	6,373	23.4	22,738	8.1
Declaration estimated taxes	\$1,000	2,944	-2.6	9,840	21.2
Payment with returns	\$1,000	403	-9.9	4,208	8.5
With holding tax on wages	\$1,000	5,114	6.6	19,389	2.4
Refunds	\$1,000	2,088	-32.7	10,699	8.3
Transient accommodations tax	\$1,000	1,802	16.5	6,463	24.0
Visitor arrivals by air 3/	Persons	255,178	-1.3	1,079,061	-0.9
Domestic flight visitors	Persons	203,634	-0.2	885,367	-4.8
International flight visitors	Persons	51,544	-5.2	193,694	21.3
Hotel occupancy rates 2/	%	73.3	-2.7	74.4	4.9

1/ Labor force and jobs based on monthly rounded data were rebenchmarked in March 2001.

2/ Change represents absolute change in rates rather than percentage change in rates.

3/ Preliminary. County-level data not yet revised.

Source: Hawaii State Department of Labor & Industrial Relations; Hawaii State Department of Taxation; Hawaii Visitors & Convention Bureau; and Smith Travel Research, PricewaterhouseCoopers LLP. Compiled by Hawaii State Department of Business, Economic Development & Tourism.

A. LABOR FORCE AND JOBS

While not as strong as the fourth quarter of 2000, Hawaii's labor market showed continuing strength in the first quarter of 2001. Non-agricultural wage and salary jobs showed healthy gains while the unemployment rate fell. Construction, retail, and services led the way in job growth.

The available workforce jumped in the first quarter of 2001. Compared to the first quarter of 2000, the civilian labor force rose 1.2 percent (Table A-1). This was the fastest labor force increase since 1996.

In spite of the larger labor pool, civilian unemployment fell. Civilian employment increased 1.6 percent from the first quarter 2000 through the first quarter of 2001 (Table A-2). The number of unemployed dropped by 7.4 percent over the same period (Table A-3). As a result, the unemployment rate fell to 4.1 percent in the first quarter of 2001, the lowest first-quarter rate since 1992 (Table A-4).

The number of non-agricultural jobs continued the near-3-percent growth displayed in 2000. Non-agricultural wage and salary jobs rose 2.9 percent in the first quarter of 2001 compared to the year-earlier quarter (Table A-5). This level of sustained growth in jobs has not been seen since 1990.

Much of the job growth has come from the construction sector. Construction jobs grew by 5.6 percent in the first quarter of 2001 (Table A-6). While slower than the

pace set in 2000, the pace of construction job growth remains high.

A number of other industries also showed positive job growth in the first quarter of 2001 compared to the same period in 2000. Jobs increased in manufacturing (2.1 percent, Table A-7), transportation (4.7 percent, Table A-8), utilities (1.5 percent, Table A-10), wholesale trade (1.9 percent, Table A-12), and hotels (3.2 percent, Table A-15).

Retail trade jobs and services, the largest industry employers, hit first-quarter records in 2001. Retail trade jobs amounted to 117,100, up 3.4 percent from the first quarter 2000 (Table A-11). Services jobs grew by 4.7 percent over the period to reach 187,050.

On the other hand, some industries saw job losses. Jobs declined in communications (-2.3 percent, Table A-9); finance, insurance, and real estate (-0.7 percent, Table A-13); and in agriculture (-12.6 percent, Table A-19).

Government jobs grew much less rapidly than private sector jobs. In fact, federal government jobs fell 0.2 percent from the first quarter of 2000 to the first quarter of 2001 (Table A-16). Small increases occurred in state government jobs (0.6 percent, Table A-17) and in local government jobs (0.3 percent, Table A-18).

B. INCOME AND PRICES

Personal income grew at its fastest rate in seven years in the fourth quarter of 2000 (the latest data available). Growth was spread across the income categories, with the largest increases in wages and salaries; proprietors' income; and dividends, interest, and rent. All industries saw increases in earnings during the period.

Personal income rose 4.7 percent in the fourth quarter of 2000 compared to the fourth quarter of 1999 (Table B-2). For the year, personal income growth in 2000 averaged 4.8 percent. This was the fastest annual growth rate since 1992.

Wage and salary growth was particularly strong. Wages and salaries rose by 5.7 percent in the fourth quarter of 2000 and by 5.6 percent for the year as a whole (Table B-3). Wages and salaries account for about 57 percent of personal income.

Proprietors' income, the income most closely related to entrepreneurial activity, grew by 4.7 percent in the fourth quarter of 2000 compared to the fourth quarter of 1999 (Table B-5). For 2000, proprietors' income jumped by a 6.6 percent—easily the largest increase since 1992.

The two other major income types also showed healthy increases. Dividends, interest, and rent rose by 2.5 percent in the

fourth quarter of 2000 (Table B-6). For 2000, this income component increased by 3.3 percent. Transfer payments, consisting largely of retirement and medical payments, grew by 5.1 percent in the fourth quarter and by 4.8 percent for the year as a whole.

Other labor income, consisting of employer payments to retirement plans, private group health insurance plans, private workers compensation plans, and so on, reversed the annual declines observed since 1997. Other labor income rose by a small 0.5 percent in 2000 compared to 1999 (Table B-4).

Private sector earnings increased across all industries. Adjusting for the size of the industry, the largest increases came in services, construction, and retail trade (Table B-1). Earnings also increased in the public sector, but by a smaller percentage.

These healthy increases in personal income would mean less if inflation was rising rapidly, but that is not the case. Somewhat surprisingly, the Honolulu consumer price index rose by only 1.7 percent in the second half of 2000 compared to the same period in 1999. This was much smaller than the 3.5 percent inflation experienced on the Mainland during the period.

Table B-1. PERSONAL INCOME FOR HAWAII BY MAJOR SOURCES

[In Millions of Dollars at Seasonally Adjusted Annual Rates]

Series	Fourth Quarter 1999	Annual average 1999	Third Quarter 2000	Fourth Quarter 2000	Annual average 2000	To Fourth Quarter 2000 From		Annual average
						Fourth Quarter 1999	Third Quarter 2000	2000 from 1999
PERSONAL INCOME	33,161	32,641	34,340	34,733	34,191	4.7	1.1	4.8
Earnings By Place of Work	24,071	23,664	24,990	25,331	24,867	5.2	1.4	5.2
Wage and salary disbursements	18,670	18,299	19,414	19,725	19,321	5.7	1.6	5.6
Other labor income	2,783	2,816	2,840	2,866	2,829	3.0	0.9	0.5
Proprietors' income	2,618	2,549	2,736	2,740	2,718	4.7	0.1	6.6
Farm proprietors' income	9	11	12	19	15	111.1	58.3	38.1
Nonfarm proprietors' income	2,609	2,538	2,724	2,721	2,703	4.3	-0.1	6.5
Dividends, interest, and rent	6,432	6,342	6,557	6,591	6,551	2.5	0.5	3.3
Transfer payments	3,973	3,933	4,142	4,176	4,121	5.1	0.8	4.8
Less: Pers. cont. for social insur.	1,315	1,297	1,349	1,366	1,348	3.9	1.3	3.9
Earnings By Industry	24,070	23,663	24,990	25,331	24,867	5.2	1.4	5.2
Farm Earnings	190	191	209	222	209	16.8	6.2	9.0
Nonfarm Earnings	23,880	23,472	24,781	25,109	24,658	5.1	1.3	5.1
Private Earnings	16,721	16,232	17,487	17,790	17,367	6.4	1.7	7.0
Ag. serv., forestry, fishing & oth	150	143	157	157	156	4.7	0.0	9.3
Mining	21	21	23	24	23	14.3	4.3	7.1
Construction	1,364	1,326	1,538	1,549	1,502	13.6	0.7	13.3
Manufacturing	685	659	703	715	698	4.4	1.7	5.9
Transport. and public utilities	1,833	1,811	1,947	2,009	1,930	9.6	3.2	6.6
Wholesale trade	850	822	870	882	867	3.8	1.4	5.4
Retail trade	2,710	2,629	2,817	2,869	2,797	5.9	1.8	6.4
Finance, insur., and real estate	2,018	1,950	2,068	2,091	2,053	3.6	1.1	5.3
Services	7,090	6,872	7,364	7,494	7,342	5.7	1.8	6.8
Gov't and gov't enterprises	7,159	7,240	7,295	7,320	7,293	2.2	0.3	0.7
Federal	4,084	4,138	4,289	4,282	4,237	4.8	-0.2	2.4
Federal, civilian	1,820	1,840	1,877	1,888	1,874	3.7	0.6	1.8
Military	2,264	2,298	2,412	2,394	2,364	5.7	-0.7	2.8
State and local	3,076	3,102	3,006	3,038	3,055	-1.2	1.1	-1.5

Source data for 1997 Q1 through 2000 Q3 have been revised.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, State Quarterly Personal Income, April 24, 2001, <<http://www.bea.doc.gov/bea/regional/sq/>> and tabulations by the Hawaii State Department of Business, Economic Development & Tourism.

**Table B-9. HONOLULU and U.S. CONSUMER PRICE INDEX,
ALL URBAN CONSUMERS (CPI-U)
[1982-84=100]**

Period	U.S.	Honolulu								
		All Items	Food & Beverages	Housing	Apparel & Upkeep	Transportation	Medical Care	Recreation 1/	Educ. & Comm. 1/	Other Goods & Services
1992	140.3	155.1	148.5	161.7	114.2	147.4	182.6	(NA)	(NA)	189.0
1993	144.5	160.1	152.9	166.5	116.5	150.5	197.4	(NA)	(NA)	200.1
1994	148.2	164.5	153.4	171.6	118.7	156.4	206.0	(NA)	(NA)	209.6
1995	152.4	168.1	156.8	174.7	117.5	162.4	209.8	(NA)	(NA)	216.8
1996	156.9	170.7	156.6	176.8	118.5	167.0	215.0	(NA)	(NA)	226.5
1997	160.5	171.9	159.2	177.1	117.3	166.2	217.3	(NA)	(NA)	239.0
1998	163.0	171.5	159.1	176.0	112.2	162.5	226.1	100.8	99.1	256.1
1999	166.6	173.3	162.9	175.8	105.4	162.2	231.3	101.9	104.5	275.6
2000	172.2	176.3	164.8	177.9	103.5	169.6	239.8	102.8	106.5	279.7
1995H1	151.5	166.9	156.5	173.4	118.1	160.0	207.8	(NA)	(NA)	214.4
H2	153.2	169.4	157.1	176.0	116.9	164.9	211.8	(NA)	(NA)	219.2
1996H1	155.8	170.5	156.9	176.8	120.0	166.3	214.9	(NA)	(NA)	220.6
H2	157.9	171.0	156.3	176.8	116.9	167.7	215.0	(NA)	(NA)	232.4
1997H1	159.9	172.1	159.4	177.3	119.8	167.8	215.6	(NA)	(NA)	232.5
H2	161.2	171.8	159.0	177.0	114.8	164.6	219.1	(NA)	(NA)	245.5
1998H1	162.3	172.0	160.0	176.3	116.4	163.2	222.5	101.4	98.9	254.3
H2	163.7	171.0	158.2	175.7	108.0	161.8	229.8	100.3	99.3	258.0
1999H1	165.4	172.7	162.4	175.5	106.0	162.3	231.0	101.3	102.6	273.9
H2	167.8	173.8	163.5	176.0	104.9	162.0	231.5	102.5	106.4	277.3
2000H1	170.7	175.9	165.5	177.3	104.5	167.7	235.9	103.1	107.3	277.5
H2	173.6	176.7	164.1	178.5	102.6	171.5	243.8	102.6	105.6	281.9
Percentage Change from the Same Period in Previous Year										
1992	3.0	4.8	1.8	5.8	3.3	5.8	6.6	(NA)	(NA)	7.6
1993	3.0	3.2	3.0	3.0	2.0	2.1	8.1	(NA)	(NA)	5.9
1994	2.6	2.7	0.3	3.1	1.9	3.9	4.4	(NA)	(NA)	4.7
1995	2.8	2.2	2.2	1.8	-1.0	3.8	1.8	(NA)	(NA)	3.4
1996	2.9	1.5	-0.1	1.2	0.9	2.8	2.5	(NA)	(NA)	4.5
1997	2.3	0.7	1.7	0.2	-1.0	-0.5	1.1	(NA)	(NA)	5.5
1998	1.6	-0.2	-0.1	-0.6	-4.3	-2.2	4.0	(NA)	(NA)	7.2
1999	2.2	1.0	2.4	-0.1	-6.1	-0.2	2.3	1.1	5.4	7.6
2000	3.4	1.7	1.2	1.2	-1.8	4.6	3.7	0.9	1.9	1.5
1995H1	3.0	2.1	3.2	1.8	-0.8	2.6	1.6	(NA)	(NA)	3.3
H2	2.6	2.2	1.2	1.9	-1.1	5.2	2.1	(NA)	(NA)	3.5
1996H1	2.8	2.2	0.3	2.0	1.6	3.9	3.4	(NA)	(NA)	2.9
H2	3.1	0.9	-0.5	0.5	0.0	1.7	1.5	(NA)	(NA)	6.0
1997H1	2.6	0.9	1.6	0.3	-0.2	0.9	0.3	(NA)	(NA)	5.4
H2	2.1	0.5	1.7	0.1	-1.8	-1.8	1.9	(NA)	(NA)	5.6
1998H1	1.5	-0.1	0.4	-0.6	-2.8	-2.7	3.2	(NA)	(NA)	9.4
H2	1.6	-0.5	-0.5	-0.7	-5.9	-1.7	4.9	(NA)	(NA)	5.1
1999H1	1.9	0.4	1.5	-0.5	-8.9	-0.6	3.8	-0.1	3.7	7.7
H2	2.5	1.6	3.4	0.2	-2.9	0.1	0.7	2.2	7.2	7.5
2000H1	3.2	1.9	1.9	1.0	-1.4	3.3	2.1	1.8	4.6	1.3
H2	3.5	1.7	0.4	1.4	-2.2	5.9	5.3	0.1	-0.8	1.7

Data on U.S. CPI are released monthly and Honolulu CPI, twice a year in February and August for the half (H) year previous.

NA Not available.

1/ New indexes as of January 1998. Base period is December 1997. The former "Entertainment" index has been discontinued.

Source: U.S. Bureau of Labor Statistics, <<http://stats.bls.gov>>, accessed February 21, 2001; and Fax-on-Demand (415) 975-4567.

C. TAX REVENUES

First-quarter State general fund tax revenue continued the strong rate of growth experienced in 2000. However more of the growth came from individual income tax receipts rather than from the general excise tax—opposite to the pattern observed last year.

State general fund tax revenue grew by 7.8 percent from the first quarter of 2000 to the first quarter of 2001 (Table C-2). This followed an 8.0 percent growth in 2000 over 1999. Hawaii has not seen these rates of growth in tax revenue since the early 1990s.

While most of the growth last year was driven by increases in general excise and use tax (GET) revenues, GET revenue growth in the first quarter was moderate. GET revenue expanded by 3.5 percent from the first quarter of 2000 to the first quarter 2001 (Table C-3). This followed nearly 11 percent growth in 2000 over 1999. However some of this slower growth reflected a drop in revenues during March 2001 which ended on a weekend, thereby pushing some GET receipts into April.

In the first quarter 2001 most of the increase in general fund tax revenue came from net individual income tax revenues.

Income tax revenue grew by 7.6 percent in the first quarter, following 2.5 percent growth in 2000 (Table C-4).

Net individual income tax revenue consists of several components. Adjusting for size, most of the first quarter growth came from the 5.3 percent increase in withholding tax receipts (Table C-7). The next-largest contributor was the 10.4 percent reduction in refunds during the first quarter (Table C-8). Declarations of estimated taxes, which grew by nearly 11 percent in 2000, fell by 5.7 percent in the first quarter of 2001, perhaps reflecting weakness in U.S. stock markets (Table C-5).

Net corporate income tax revenue grew by a moderate 3.3 percent in the first quarter of 2001 compared to the year-earlier quarter (Table C-9). Still, this first-quarter growth came on top of more than a doubling in corporate income tax receipts in the first quarter of 2000.

Transient Accommodations Tax (TAT) revenue grew by 2.6 percent in the first quarter (Table C-13). However, as with general excise tax revenue, this growth was negatively affected by a “weekend effect” in March that pushed revenue into April.

Table C-1. GENERAL FUND TAX REVENUES AND MAJOR COMPONENTS

Year	General Excise and Use Tax	Net Individual Income Tax 1/	Net Corporate Income Tax 2/	Tax Revenues Distributed to State General Fund
In Thousands of Dollars				
1990	1,250,203	743,114	86,269	2,246,752
1991	1,287,819	1,174,144	70,568	2,397,289
1992	1,299,814	922,206	42,737	2,523,670
1993	1,308,797	951,405	22,239	2,555,912
1994	1,347,945	1,003,480	34,228	2,672,291
1995	1,386,684	918,811	37,336	2,614,713
1996	1,469,766	995,456	51,243	2,799,972
1997	1,433,012	985,000	55,594	2,756,621
1998	1,436,654	1,093,241	50,112	2,889,291
1999	1,454,731	1,053,858	47,692	2,841,290
2000	1,611,446	1,080,371	67,650	3,067,622
1998 1 Qtr.	375,018	247,815	10,592	714,466
2 Qtr.	348,955	291,713	30,408	743,003
3 Qtr.	360,313	283,430	15,479	738,957
4 Qtr.	352,368	270,283	-6,368	692,866
1999 1 Qtr.	369,292	238,606	7,428	686,437
2 Qtr.	365,306	276,392	26,104	735,905
3 Qtr.	372,436	277,965	14,119	735,969
4 Qtr.	347,698	260,895	41	682,978
2000 1 Qtr.	422,222	247,130	17,358	765,790
2 Qtr.	393,873	278,567	36,696	787,612
3 Qtr.	400,698	285,983	9,985	774,265
4 Qtr.	394,653	268,692	3,610	739,955
2001 1 Qtr.	436,888	265,833	17,932	825,236
Percentage Change from the Same Period in Previous Year				
1991	3.0	21.2	-18.2	6.7
1992	0.9	2.4	-39.4	5.3
1993	0.7	3.2	-48.0	1.3
1994	3.0	5.5	53.9	4.6
1995	2.9	-8.4	9.1	-2.2
1996	6.0	8.3	37.2	7.1
1997	-2.5	-1.1	8.5	-1.5
1998	0.3	11.0	-9.9	4.8
1999	1.3	-3.6	-4.8	-1.7
2000	10.8	2.5	41.8	8.0
1998 1 Qtr.	2.7	9.0	-41.3	3.7
2 Qtr.	-4.8	36.7	-5.9	9.9
3 Qtr.	1.1	5.1	46.1	4.9
4 Qtr.	2.2	-1.5	-18.3	0.9
1999 1 Qtr.	-1.5	-3.7	-29.9	-3.9
2 Qtr.	4.7	-5.3	-14.2	-1.0
3 Qtr.	3.4	-1.9	-8.8	-0.4
4 Qtr.	-1.3	-3.5	100.6	-1.4
2000 1 Qtr.	14.3	3.6	133.7	11.6
2 Qtr.	7.8	0.8	40.6	7.0
3 Qtr.	7.6	2.9	-29.3	5.2
4 Qtr.	13.5	3.0	8704.9	8.3
2001 1 Qtr.	3.5	7.6	3.3	7.8

These series represent data as reported by the Hawaii State Department of Taxation, without adjustment.

1/ Declaration of estimated taxes, plus payments with returns, plus withholding tax on wages, less refund.

2/ Declaration of estimated taxes, plus payments with returns, less refund.

Source: Hawaii State Department of Taxation

D. TOURISM

Economic activity in the visitor industry slowed in the first quarter. Neither the number of visitor arrivals nor the average daily census increased from the first quarter 2000. On the other hand, hotel occupancy rates improved somewhat.

The number of visitor arrivals remained flat from the first quarter of 2000 to the first quarter of 2001 (Table D-2). This was one of the slowest first-quarter growth periods since 1998 when Hawaii began to feel the effects of the Asian Crisis.

By flight type, the number of travelers on domestic flights expanded by 0.7 percent, while the number on international flights fell by 1.1 percent (Tables D-3 and D-4). Compared to 1997, this was at once the weakest first-quarter growth for domestic travelers and the smallest first-quarter loss for international travelers.

Across major market areas, U.S. West visitor arrivals made the strongest showing, rising by 1.4 percent in the first quarter of 2001 compared to the year-earlier quarter (Table D-5). U.S. East visitor arrivals fell by 1.7 percent over the period (Table D-6).

Japan visitor arrival numbers declined by 2.1 percent from the first quarter of 2000

to the first quarter of 2001 (Table D-7). This was the fourth year in which Japan visitor arrivals declined in the first quarter.

Average daily census numbers were also flat in the first quarter (Table D-8). The average daily census reflects both arrivals and length of stay. While negligibly larger than the first quarter of 2000, the average daily census has never been higher.

By flight type the domestic visitor census increased by 1.4 percent in the first quarter (Table D-9), while the international visitor census fell by 3.2 percent (Table D-10).

Despite this slowdown in arrivals and visitor census, hotel occupancy rates rose slightly from 78.2 percent in the first quarter of 2000 to 80.5 percent in the first quarter of 2001 (Table D-11). Occupancy rates can rise for a variety of reasons aside from arrivals or length of stay—hotels may temporarily reduce the number of available rooms due to renovation or residents may choose to vacation within state.

Readers interested in reviewing visitor statistics on a monthly basis can find them at <http://www.hawaii.gov/dbedt/monthly/index.html>.

Table D-1. VISITOR ARRIVALS AND AVERAGE DAILY VISITOR CENSUS - BY AIR

Year	Visitor Arrivals 1/			Average Daily Visitor Census		
	Total	Domestic	International	Total	Domestic	International
1990	6,723,531	4,315,161	2,408,370	154,517	113,066	41,450
1991	6,518,460	4,068,508	2,449,952	147,323	105,686	41,637
1992	6,473,669	3,791,945	2,681,724	152,249	106,589	45,660
1993	6,070,995	3,570,059	2,500,936	147,498	100,430	47,068
1994	6,364,674	3,813,279	2,551,395	156,630	107,904	48,726
1995	6,546,759	3,743,474	2,803,285	157,098	105,649	51,450
1996	6,723,141	3,794,113	2,929,028	158,297	106,404	51,892
1997	6,761,135	3,890,798	2,870,337	157,187	108,019	49,168
1998	6,595,790	4,014,140	2,581,650	157,389	112,068	45,320
1999	6,741,037	4,255,621	2,485,416	164,439	117,998	46,441
2000	6,975,866	4,451,658	2,524,208	169,456	123,749	45,707
1998 1 Qtr.	1,668,494	973,221	695,273	168,313	117,377	50,936
2 Qtr.	1,616,987	1,035,106	581,881	148,818	110,319	38,499
3 Qtr.	1,724,849	1,040,587	684,262	158,423	111,721	46,701
4 Qtr.	1,585,460	965,226	620,234	154,146	108,952	45,193
1999 1 Qtr.	1,688,751	1,021,745	667,006	174,588	120,018	54,570
2 Qtr.	1,615,842	1,058,106	557,736	151,621	112,905	38,716
3 Qtr.	1,799,719	1,132,114	667,605	169,672	121,730	47,942
4 Qtr.	1,636,726	1,043,657	593,069	161,956	117,326	44,630
2000 1 Qtr.	1,722,991	1,071,927	651,064	177,756	124,833	52,924
2 Qtr.	1,749,438	1,164,747	584,691	165,241	125,255	39,987
3 Qtr.	1,830,834	1,163,143	667,691	171,621	126,834	44,787
4 Qtr.	1,672,603	1,051,841	620,762	163,251	118,102	45,148
2001 1 Qtr.	1,723,659	1,079,762	643,897	177,763	126,539	51,225
Percentage Change from the Same Period in Previous Year						
1991	-3.1	-5.7	1.7	-4.7	-6.5	0.5
1992	-0.7	-6.8	9.5	3.3	0.9	9.7
1993	-6.2	-5.9	-6.7	-3.1	-5.8	3.1
1994	4.8	6.8	2.0	6.2	7.4	3.5
1995	2.9	-1.8	9.9	0.3	-2.1	5.6
1996	2.7	1.4	4.5	0.8	0.7	0.9
1997	0.6	2.5	-2.0	-0.7	1.5	-5.2
1998	-2.4	3.2	-10.1	0.1	3.7	-7.8
1999	2.2	6.0	-3.7	4.5	5.3	2.5
2000	3.5	4.6	1.6	3.1	4.9	-1.6
1998 1 Qtr.	-2.1	2.2	-7.5	5.6	9.4	-2.4
2 Qtr.	0.0	7.1	-10.5	-2.3	2.5	-13.8
3 Qtr.	-4.1	1.9	-12.0	-4.2	-0.7	-11.6
4 Qtr.	-3.4	1.6	-10.3	1.6	4.1	-3.8
1999 1 Qtr.	1.2	5.0	-4.1	3.7	2.3	7.1
2 Qtr.	-0.1	2.2	-4.1	1.9	2.3	0.6
3 Qtr.	4.3	8.8	-2.4	7.1	9.0	2.7
4 Qtr.	3.2	8.1	-4.4	5.1	7.7	-1.2
2000 1 Qtr.	2.0	4.9	-2.4	1.8	4.0	-3.0
2 Qtr.	8.3	10.1	4.8	9.0	10.9	3.3
3 Qtr.	1.7	2.7	0.0	1.1	4.2	-6.6
4 Qtr.	2.2	0.8	4.7	0.8	0.7	1.2
2001 1 Qtr.	0.0	0.7	-1.1	0.0	1.4	-3.2

1/ Staying overnight or longer.

Source: Hawaii State Department of Business, Economic Development & Tourism.

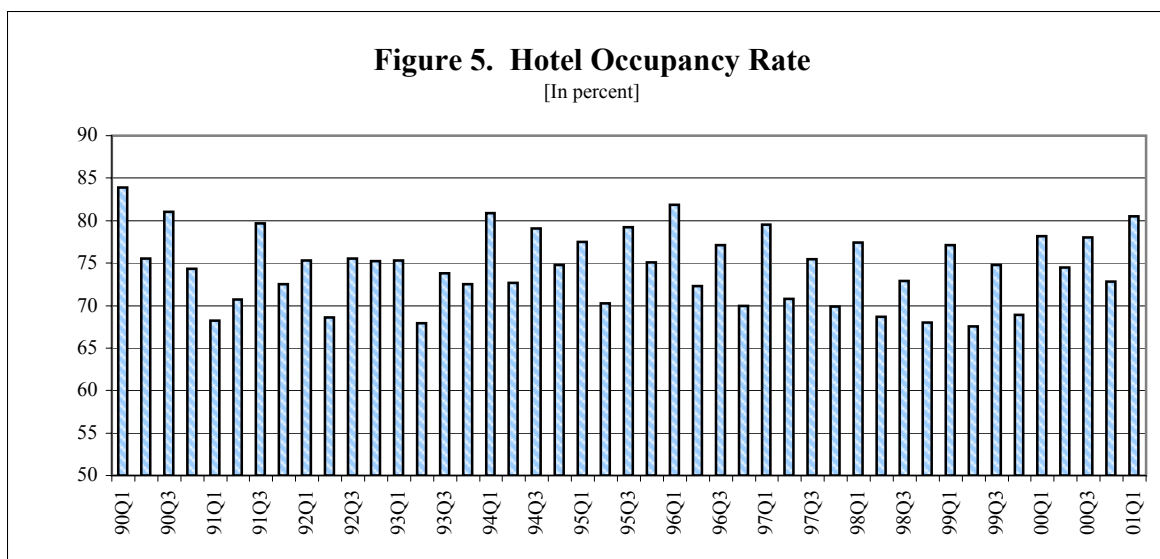
Table D-11. HOTEL OCCUPANCY RATE

<i>Year</i>	<i>First Quarter</i>	<i>Second Quarter</i>	<i>Third Quarter</i>	<i>Fourth Quarter</i>	<i>Annual</i>
In Percent					
1982	79.0	65.9	70.9	66.7	70.4
1983	75.2	68.1	71.7	66.5	69.7
1984	84.0	75.6	74.6	75.1	76.0
1985	88.1	69.1	75.0	72.5	76.1
1986	87.0	78.8	79.9	76.8	81.7
1987	88.0	77.1	82.1	77.8	81.1
1988	81.7	75.1	81.3	75.1	78.5
1989	85.9	73.9	81.0	75.7	79.0
1990	83.9	75.5	81.0	74.3	78.8
1991	68.2	70.7	79.7	72.5	72.4
1992	75.3	68.6	75.5	75.2	72.7
1993	75.3	67.9	73.8	72.5	72.0
1994	80.9	72.7	79.1	74.8	76.5
1995	79.5	70.3	79.2	75.1	75.8
1996	81.9	72.3	77.1	70.0	75.2
1997	79.5	70.8	75.5	69.9	73.9
1998	77.4	68.7	72.9	68.0	71.5
1999	77.1	67.5	74.8	68.9	72.1
2000	78.2	74.5	78.0	72.8	76.0
2001	80.5	(NA)	(NA)	(NA)	(NA)

NA Not available.

Quarterly averages are computed by Hawaii State Department of Business, Economic Development & Tourism from PKF-Hawaii monthly averages through January 1995 and PricewaterhouseCoopers monthly averages from February 1995.

Sources: Hawaii State Department of Business, Economic Development & Tourism, PKF-Hawaii and Smith Travel Research, PricewaterhouseCoopers LLP.



E. CONSTRUCTION

Construction industry activity in the first quarter continued the slowing observed at the end of last year. However, both the contracting tax base (a measure of construction put in place) and building permit values remained higher than one year ago.

The contracting tax base, the activity subject to the general excise tax, grew by 4.9 percent from the first quarter of 2000 to the first quarter of 2001 (Table E-1). The contracting tax base is a proxy for completed construction. This measure grew by almost 21 percent in 2000.

Building permit values, a measure of prospective construction activity, also retained positive growth, expanding by 2.5 percent in the first quarter of 2001 from the year-earlier quarter. The increase in permit values came entirely in the commercial and industrial sector. Permits for residential construction and additions and alterations declined in the first quarter 2001 from the year-earlier quarter.

Table E-6 shows that, by county, building permits expanded in Honolulu (+18.9 percent) and Kauai (+38.2 percent). However permit values fell in Hawaii County (-22.2 percent) and Maui County (-12.9 percent). The increase in Honolulu permits reflected projects by Victoria Ward, school construction in Kapolei, and the

Filipino Community Center in Waipahu. Kauai's increased activity reflected multi-family residential construction in Princeville. While permit values fell in Hawaii County and Maui County relative to 2000, the first-quarter level of permitting remained high compared to the late 1990s.

Construction jobs also showed healthy, but slower, growth in the first quarter as compared to 2000. Construction jobs rose 5.6 percent from the first quarter of 2000 to the first quarter of 2001 (Table 1). But this followed 8.5 percent growth in 2000. The fastest construction job growth came in Honolulu County (7.4 percent, Table 2), followed by Hawaii County (5.8 percent, Table 3) and Kauai County (5.0 percent, Table 5). Construction jobs actually fell by 6.0 percent on Maui in the first quarter (Table 4).

The growth in construction has come primarily from the private sector. Government contracts awarded fell by 18 percent from the first quarter of 2000 to the first quarter of 2001 (Table E-1). And State Capital Improvement Projects (CIP) dropped by 27.0 percent over the period (Table E-11). However, these declines are somewhat overstate because first quarter 2000 contracts awarded and CIP expenditures were particularly large.

**Table E-1. ESTIMATED VALUE OF COMPLETED CONSTRUCTION,
NEW PRIVATE BUILDING AUTHORIZATIONS, AND
GOVERNMENT CONTRACTS AWARDED**

Year	Contracting tax base 1/	Private Building Authorization				Government
		Total Private Authorizations	Residential	Commercial & Industrial 2/	Additions & Alterations	Contracts Awarded
In Millions of Dollars						
1982	1,294.9	683.1	299.2	242.9	141.1	391.6
1983	1,353.4	685.2	296.2	203.2	185.9	275.0
1984	1,242.9	581.5	327.7	104.0	149.9	388.7
1985	1,367.7	888.9	500.1	208.8	180.1	248.9
1986	1,808.0	1,025.2	455.5	267.4	302.3	422.7
1987	2,003.1	1,161.9	507.0	344.4	310.5	370.9
1988	2,487.6	1,546.5	689.2	541.2	316.1	665.0
1989	3,112.8	1,882.4	910.7	561.8	409.9	725.2
1990	4,003.7	2,101.8	952.3	698.0	451.5	825.5
1991	4,334.1	2,151.8	1,192.0	556.2	403.7	729.4
1992	4,012.7	1,751.9	811.1	532.3	408.5	1,159.1
1993	3,803.6	1,505.4	742.1	308.0	455.3	651.8
1994	3,322.3	1,612.9	849.3	370.3	393.4	693.0
1995	3,133.5	1,531.3	745.5	368.3	417.5	490.2
1996	3,285.1	1,117.8	487.0	252.8	378.0	885.5
1997	2,944.4	1,179.2	542.5	264.5	372.2	615.6
1998	3,016.0	1,054.3	485.5	205.6	363.2	685.5
1999	2,991.2	1,320.2	628.8	306.2	385.3	584.8
2000 3/	3,613.5	1,512.6	800.1	246.2	466.2	593.8
1997 1 Qtr.	685.9	258.9	88.4	72.8	97.8	181.8
2 Qtr.	777.1	425.6	220.8	93.6	111.9	121.6
3 Qtr.	734.1	266.0	132.8	46.8	86.3	200.9
4 Qtr.	747.3	228.7	100.5	51.3	76.2	111.3
1998 1 Qtr.	757.1	260.4	118.2	50.3	91.9	155.3
2 Qtr.	706.3	246.7	121.3	48.5	76.9	127.5
3 Qtr.	793.6	296.0	123.5	55.1	117.3	218.7
4 Qtr.	759.0	251.3	122.6	51.7	77.0	183.5
1999 1 Qtr.	732.1	342.9	141.6	125.0	76.3	177.3
2 Qtr.	737.0	314.3	153.4	72.4	88.5	104.6
3 Qtr.	758.1	314.1	151.1	63.9	99.0	147.1
4 Qtr.	764.0	348.9	182.6	45.0	121.4	155.8
2000 1 Qtr.	877.6	351.8	203.3	61.3	87.3	217.1
2 Qtr.	869.1	392.9	194.9	72.9	125.1	96.6
3 Qtr.	894.9	377.4	204.1	59.2	114.2	405.1
3/ 4 Qtr.	971.8	390.4	197.9	52.9	139.7	92.1
2001 1 Qtr.	920.5	360.7	184.5	96.6	79.6	178.0

First Hawaiian Bank has discontinued compiling Government Contracts Awarded. Hawaii State Department of Business, Economic Development & Tourism has compiled preliminary estimates beginning with the fourth quarter 1997 based on data in *Building Industry Magazine*.

1/ Formerly, this category was "Value of Construction Completed", subject to revision by Hawaii State Department of Taxation.

2/ Includes hotels.

3/ Kauai County data for November consist of residential data onl

Source: Hawaii State Department of Taxation; F. W. Dodge; county building departments; First Hawaiian Bank; *Building Industry Magazine* (various issues) and tabulations by Hawaii State Department of Business, Economic Development & Tourism.

**Table E-1. ESTIMATED VALUE OF COMPLETED CONSTRUCTION,
NEW PRIVATE BUILDING AUTHORIZATIONS, AND
GOVERNMENT CONTRACTS AWARDED - Con.**

Year	Contracting tax base 1/	Private Building Authorization				Government
		Total Private Authorizations	Residential	Commercial & Industrial 2/	Additions & Alterations	Contracts Awarded
Percentage Change from the Same Period in Previous Year						
1982	-19.8	-14.8	-24.9	0.9	-13.4	-8.8
1983	4.5	0.3	-1.0	-16.3	31.8	-29.8
1984	-8.2	-15.1	10.6	-48.8	-19.4	41.3
1985	10.0	52.9	52.6	100.8	20.1	-36.0
1986	32.2	15.3	-8.9	28.1	67.9	69.8
1987	10.8	13.3	11.3	28.8	2.7	-12.3
1988	24.2	33.1	35.9	57.1	1.8	79.3
1989	25.1	21.7	32.1	3.8	29.7	9.1
1990	28.6	11.7	4.6	24.2	10.1	13.8
1991	8.3	2.4	25.2	-20.3	-10.6	-11.6
1992	-7.4	-18.6	-32.0	-4.3	1.2	58.9
1993	-5.2	-14.1	-8.5	-42.1	11.5	-43.8
1994	-12.7	7.1	14.4	20.2	-13.6	6.3
1995	-5.7	-5.1	-12.2	-0.5	6.1	-29.3
1996	4.8	-27.0	-34.7	-31.4	-9.5	80.6
1997	-10.4	5.4	11.4	4.4	-1.5	-30.5
1998	2.4	-10.5	-10.5	-22.1	-2.4	11.4
1999	-0.8	25.2	29.5	48.9	6.1	-14.7
2000 3/	20.8	14.6	27.2	-19.6	21.0	1.5
1997 1 Qtr.	-16.8	-7.7	-25.3	-7.2	16.8	-43.1
2 Qtr.	-4.6	58.7	122.5	49.8	5.0	55.9
3 Qtr.	-12.5	-24.5	-25.3	-27.7	-21.4	-37.9
4 Qtr.	-7.5	5.8	10.1	8.7	-5.8	-32.3
1998 1 Qtr.	10.4	0.6	33.7	-30.9	-6.0	-14.6
2 Qtr.	-9.1	-42.0	-45.1	-48.2	-30.8	4.8
3 Qtr.	8.1	11.3	-7.0	17.7	35.9	8.9
4 Qtr.	1.6	10.2	22.1	0.7	1.0	64.9
1999 1 Qtr.	-3.3	31.7	19.8	148.5	-17.0	14.1
2 Qtr.	4.3	27.4	26.5	49.2	15.1	-18.0
3 Qtr.	-4.5	6.1	22.3	16.0	-15.6	-32.8
4 Qtr.	0.7	38.8	48.9	-13.0	57.7	-15.1
2000 1 Qtr.	19.9	2.6	43.6	-51.0	14.4	22.5
2 Qtr.	17.9	25.0	27.1	0.8	41.3	-7.7
3 Qtr.	18.0	20.2	35.1	-7.4	15.4	175.4
3/ 4 Qtr.	27.2	11.9	8.4	17.6	15.1	-40.9
2001 1 Qtr.	4.9	2.5	-9.2	57.6	-8.8	-18.0

First Hawaiian Bank has discontinued compiling Government Contracts Awarded. Hawaii State Department of Business, Economic Development & Tourism has compiled preliminary estimates beginning with the fourth quarter 1997 based on data in *Building Industry Magazine*.

1/ Formerly, this category was "Value of Construction Completed", subject to revision by Hawaii State Department of Taxation.

2/ Includes hotels.

3/ Kauai County data for November consist of residential data only

Source: Hawaii State Department of Taxation; F. W. Dodge; county building departments; First Hawaiian Bank; *Building Industry Magazine* (various issues) and tabulations by Hawaii State Department of Business, Economic Development & Tourism

F. OTHER INDICATORS

For the first time in almost two years, bankruptcy filings increased in the first quarter of 2001. Both Chapter 7 and Chapter 11 filings rose, but Chapter 13 filings fell.

The total number of bankruptcy filings grew by 8.7 percent in the first quarter 2001 compared to the first quarter of 2000 (Table F-1). This was the first increase in bankruptcies in eight quarters and appears related to a pending change in federal bankruptcy law that will impose stricter terms on debtors.

Most of the increase came in Chapter 7 filings, which involve the liquidation of assets and the discharge of some debt. The number of Chapter 7 filings rose by 12.1 percent from the first quarter of 2000 to the first quarter of 2001.

Chapter 11 filings jumped by 25.0 percent in the first quarter, but this represented a rise from 4 filings in the first quarter of 2000 to 5 filings in the first quarter of 2001. Chapter 11 filings involve the structuring of repayment plans for companies.

In contrast with these increases, Chapter 13 filings fell by 17.8 percent in the first quarter. Chapter 13 bankruptcy allows debtors to workout repayment arrangements with creditors.

The increase in Hawaii bankruptcy filings matches an increase in filings for the nation as a whole. U.S. bankruptcy filings increased 17.5 percent from the first quarter of 2000 through the first quarter 2001. Quarterly U.S. bankruptcy statistics can be found at:

http://www.uscourts.gov/Press_Releases/bk301.pdf

Total Bankruptcy Filings (Chapters 7, 11, 12, and 13)

